

# Legislative Analysis

---



## WIND ENERGY SYSTEMS

Mitchell Bean, Director  
Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

### House Bill 4247

Sponsor: Rep. Rep. Mark Meadows

Committee: Tax Policy

Complete to 2-19-08

## A SUMMARY OF HOUSE BILL 4247 AS INTRODUCED 2-8-07

Public Act 633 of 2006 amended the General Property Tax Act (at MCL 211.8) to specifically provide that a "wind energy system" is to be considered personal property for taxes levied after December 31, 2005. The aim of the act was to make wind energy systems eligible for a tax exemption available for alternative energy personal property. Public Act 549 of 2002 amended the General Property Tax act to make alternative energy personal property exempt from taxation through 2012. "Alternative energy personal property" is defined so as to include an "alternative energy system" as that term is defined in the Michigan Next Energy Authority Act. Under that act, such property refers to a number of systems, including a wind energy system.

Under PA 633, a "wind energy system" is defined as an integrated unit consisting of a wind turbine composed of a rotor, an electrical generator, a control system, an inverter or other power conditioning unit, and a tower, that uses moving air to produce power.

House Bill 4247 would add that a wind energy system also includes *any foundation, easement, or right of way associated with a tower*. The bill also specifies that a wind energy system is an alternative energy system and is exempt from the collection of property taxes as provided in Section 9I, which was added by Public Act 549 of 2002.

## FISCAL IMPACT:

The bill would broaden the exemption from personal property taxes extended to wind energy systems. Although the fiscal impact cannot be determined because the amount of property that would qualify is not known, the State would lose the 6-mill State Education (SET) levy, local schools would lose the 18-mill non-homestead levy earmarked for local education, and local units of government (including counties) could lose generating operating, police, fire, etc. levies.

Because the School Aid Fund (SAF) provides the difference between the amount of revenue collected for schools and the foundation allowance, the SAF would have to offset this loss of the local education revenue.

Legislative Analyst: Chris Couch

Fiscal Analyst: Jim Stansell

---

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.